

IN THIS EDITION ...

Saudi Arabia attracted foreign direct investment (FDI) of around SAR 14.3 billion in the first half of 2023, with the number of investment licenses granted by the Ministry of Investment jumping by 60.4% to reach 3,456 during the period.

The National Investment Strategy (NIS), part of Saudi Vision 2030, seeks to create diversified and strong investment opportunities, boost net FDI flows, improve the country's investment environment, and lure foreign investors, with the ultimate goal of increasing investment as a share of GDP from 22% in 2019 to 30% in 2030.

The Public Investment Fund (PIF) is also expected to inject an average of SAR 150 billion annually into the domestic economy until fiscal year (FY) 2025, which will create pathways for foreign companies to invest in the kingdom, according to the Budget 2024 Statement released by the Ministry of Finance.

PIF subsidiaries are expected to contribute SAR 1.2 trillion to the non-oil GDP accumulatively until 2025. The fund has also set the following goals: to inject domestic investments into new projects, focus on 13 vital and strategic sectors, and contribute to raising the level of local content to 60% in PIF and its subsidiaries. Thus, revenue sources are diversified, and the quality of life is improved. By the end of FY 2025, PIF aims to have assets exceeding SAR 4 trillion and to create 1.8 million direct and indirect jobs.

Meanwhile, the 2024 budget also expects government capital expenditure (CAPEX) to reach around SAR 189 billion in the new fiscal year, making up 15.1% of the total expenditure.

"It is worth noting that the Government is determined to further diversify sources of economic growth by directing expenditure to regional and sectoral strategies," according to the 2024 Budget Statement.

"In addition, it aims to accelerate the implementation of mega projects and vision programmes in order to achieve the development objectives of Saudi Vision 2030. The Government also continues to enable and maximise the role of the private sector and stimulate the investment environment."



ECONOMY

The new budget reflects Saudi authorities' commitment to build a resilient and strong economic recovery through fiscal reforms and strategic spending.

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TRADE

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RENEWABLE ENERGY

As the world commits to carbon neutrality, one of the Middle East's largest suppliers of electricity unveiled a blueprint for energy efficiency and green innovation.

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SUKUK MARKET

The pandemic, oil price fluctuations, slow global recovery, and interest rate hikes have failed to dampen Shariah-compliant bond instruments' investment appeal.

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SME STARTUPS

The kingdom represents nearly half of venture capital activities in the Middle East and North Africa region, attracting billions of dollars of SME financing.

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ECONOMIC TRANSFORMATION TAKES CENTRE STAGE IN 2024 BUDGET



The Saudi economy is in the midst of a remarkable transformation, guided by a comprehensive system of economic and fiscal reforms aimed at realising the objectives of Vision 2030. By focusing on strategic spending, and targeting key sectors and regions, authorities aim to expedite project implementation, diversify the economic base, and promote sustainability, while raising service standards for its citizen.

All these goal are reflected on the budget statement released by the [Ministry of Finance](#) for fiscal 2024, which renews the government's commitment to structural economic changes aligned with Vision 2030. This, in turn, is expected to fortify the kingdom's economy, enabling it to navigate global economic challenges effectively.

"The initial estimates for FY 2024 indicate 4.4% growth of real GDP, supported by the growth of non-oil activities GDP resulting from the economic reforms as well as efforts that will further accelerate the process of economic diversity, while enhancing sustained economic growth," according to the latest budget [report](#). "This rise is also attributed to the programmes and initiatives that establish the private sector as a main driver of the economy and a contributor to job creation."

The kingdom's efforts in economic diversification are evident through the launch of various programmes and initiatives, coupled with the establishment of four special economic zones, each with its unique features.

These zones are designed to foster innovation, support the domestic economy, and assist small and medium enterprises across different regions.

Strategically, the kingdom aims to achieve the goals of Vision 2030 through investment arms such as the Public Investment Fund (PIF), a key driver of economic growth and diversity. PIF has been tasked to spearhead global and domestic projects, launch new sectors, and realise the country's objectives in an evolving economic landscape.

NO LET-UP IN GROWTH

Despite global challenges, Saudi's real GDP for the first half of 2023 remained on positive territory with a notable 5.4% increase in non-oil activities, highlighting the private sector's role in driving recovery. However, oil activities experienced a decline of 1.3%, which had been attributed to voluntary oil production cuts as per OPEC+ agreements. Projections for 2023 indicate a 0.03% growth in real GDP, primarily driven by non-oil activities, with a more robust 5.9% growth anticipated in 2024.

In the fiscal landscape, total revenue for the year is estimated at SAR 1.19 trillion, reflecting a [5.6%](#) increase from the approved budget. Non-oil revenues played a crucial role in this growth, showcasing the kingdom's success in expanding non-oil economic activities and improving tax management. Earlier estimates show sustained growth, which will likely reach SAR 1.26 trillion in 2026.

Total expenditures for 2023 are projected to stand at SAR 1.27 trillion, a 14.5% increase from the approved budget. This uptick is due to the government's commitment to shielding citizens from global inflation, enhancing social spending, and developing public services and infrastructure. Looking ahead, authorities plan to employ fiscal policies to increase spending on major development programmes, regional strategies, and sectoral initiatives, contributing to sustainable economic growth.

The fiscal deficit for 2023 is estimated at SAR [82 billion](#), equivalent to 2.0% of GDP. This level is expected to remain in 2024 due to strategic expansionary spending. To meet financing needs, domestic and external borrowing activities will continue, with the kingdom leveraging market opportunities for additional funding. Total debt is projected to be around SAR 1.10 trillion in 2024, equivalent to 25.9% of GDP.

LABOUR MARKET

Recent developments in the labour market have also been encouraging, with total unemployment in the second quarter of 2023 declining to 4.9% – a marked improvement from 5.1% in the first quarter. Unemployment rates among Saudis also saw a decrease to 8.3%, or a 0.2 percentage

points drop compared to Q1, representing the second lowest rate in over two decades.

This decline aligns with the continuous and accelerated growth of the private sector and small and medium enterprises. Support is also evident in the development of major sectors such as tourism, the increase in local content in projects for national industry and logistics services, and the encouragement of national exports and privatisation programmes. These efforts have generated new opportunities for citizens and facilitated the absorption of additional Saudi workers into the labour market.

Efforts to localise quality jobs has raised the number of Saudi employees in the private sector through to the end of the third quarter by around 153,000 workers, a growth of 7.2% compared to the previous quarter. The total number of Saudi workers in the private sector soared to 2.3 million.

"Women's participation rates in the labour market rose steadily, as the rate increased in Q2 of 2023 to reach 35.3%, exceeding the Saudi Vision 2030 goal of 30%," according to the government statement. "This rise clearly reflects the understanding of the importance of women's participation in the workforce, and the success of women's empowerment plans and initiatives launched by the Government over the past years."

DIVERSIFICATION STILL IN FOCUS

The government also expects global oil demand to improve in 2024 and grow by 2.3 million barrels per day (bpd) compared to the previous year, reaching an average of 104.4 million bpd, which should buttress growth and help channel oil revenues to non-oil sectors.

The 2024 budget emphasises strengthening the government's financial position. Various revenue scenarios, accounting for global and local developments, geopolitical conditions, and inflation rates, have been considered to enhance financial planning and readiness.

The fiscal reforms outlined in the budget signify a determined effort by the Saudi government to navigate economic challenges, drive diversification, and propel sustainable growth in alignment with Vision 2030. The kingdom's commitment to economic transformation and fiscal sustainability sets the stage for continued progress in the years to come.

SAUDI AND CHINA STRENGTHEN TIES WITH USD 25BN

The recent China-Saudi Investment Conference in Beijing, held in co-ordination with the China Chamber of Commerce for the Import and Export of Machinery and Electronic Products (CCCME), underscored the importance of closer trade ties between the two nations.

The [conference](#) aims to bolster the prevailing alliance between Saudi Arabia and China across the investment, trade, and economic spheres. Aligned with the kingdom's Vision 2030, the event also seeks to fortify strategic collaborations, foster trade, and stimulate investment opportunities across diverse sectors. Additionally, the event supports the objectives of the Chinese Belt and Road Initiative, which focuses on connecting Asia, Africa, and Europe.

The China-Saudi Investment Conference led to the signing of more than 60 memorandums of understanding (MoU) and agreements totalling USD [25 billion](#). Areas of collaboration included sectors such as energy, agriculture, tourism, mining, financial services, logistics, infrastructure, technology, and healthcare.



MAJOR DEALS

A key agreement was signed in the information and communications technology space, as the Saudi Esports Federation and Chinese esports tournament operator VSPO inked an MoU valued at USD [8.5 billion](#). The deal aims to promote opportunities, co-operation, and participation in esports.

In manufacturing, China's Oriental Energy Co. and Saudi Arabia's Ajlan & Bros Holding Group Co. entered into a USD [7.5 billion](#) agreement to explore collaborative ventures.

Within the energy sector, Saudi's Ministry of Investment signed a USD 2 billion deal with China's state-owned CRRC Group, focusing on developing opportunities in the kingdom, specifically covering project development and manufacturing of renewable energy and sustainable mobility.

The investment conference boasted attendance from high-profile regional leaders, including representatives from Saudi Arabian Oil Co. (Aramco), Saudi Basic Industries Corp. (SABIC), and ACWA Power.

Nine Chinese companies secured licenses to establish their regional headquarters in Saudi Arabia. These companies are industry giants Huawei, Dahua, China Railway Construction Corp., China Communication Services, China Harbor Engineering Co., China Civil Engineering Construction Corp., BGI Group, Nuctech, and iMile.

Earlier in September, the Saudi Tadawul [Group](#) and the Shanghai Stock Exchange signed an MoU that will pave the way for dual listings of exchange-traded funds (ETF), investor relations initiatives, infrastructure development, and advancements in fintech, environmental, and social practices.

The Saudi stock exchange signed an [MoU](#) with the Chinese Shenzhen Stock Exchange, with the vision to enhance collaboration and explore opportunities, including joint listings, and financial technology.

Notably in November, the Saudi regulator and the People's Bank of China sealed a local currency swap agreement worth USD [6.93 billion](#). The three-year deal, established in the context of financial co-operation between the two central banks, can be extended after two years by mutual agreement, according to a press statement issued by the Saudi regulator.

WATER AND AI DEALS

In addition to the conference, Saudi officials visited several Chinese cities to meet with business leaders in other regions.

The Ministry of Environment, Water and Agriculture showcased investment opportunities in the kingdom's aquaculture sector to representatives of more than 60 specialised Chinese companies in [Shenzhen](#). The discussions came during the participation of the ministry's delegation – represented by the National Fisheries Development Program – in the Global Investment Promotion Conference.

Yasser Al-Onaizan, CEO of the Saudi Authority for Data and Artificial Intelligence (SDAIA) National Center for AI, also [highlighted](#) generative AI initiatives and projects in the kingdom, particularly in the fields of health, Arabic language, computer vision, energy and environment, during a session titled "Digital Economy and Artificial Intelligence – Productivity and Growth" in Shenzhen, China.

SDAIA, the national reference for data and AI in Saudi Arabia, has worked on several initiatives in this regard, including organising a series of generative AI forums in Saudi universities designed to enhance knowledge of the field and highlight its many benefits to humanity. The authority also undertakes to launch the MENA region's first-of-its-kind generative AI accelerator (GAIA), which contributes to supporting and empowering start-ups specialising in generative AI, and issuing reports on generative AI and large language models.

Meanwhile, the Hong Kong Special Administrative Region (HKSAR) government welcomed Asia's first-ever Saudi Arabia ETF in the city on 29 November.

Through the ETF, investors will be able to trade the constituent stocks of the Saudi stock market, including Saudi Aramco's, directly in the Hong Kong market in [Hong Kong](#) dollar or renminbi (RMB). The ETF has the largest assets of its kind in the world.

COP28 EFFECT: RENEWABLE ENERGY GAINS UPWARD MOMENTUM

[Saudi Electricity Company](#) (SEC) aims to achieve net zero emissions by 2050, aligning with the kingdom's broader ambition to attain carbon neutrality by 2060.

SEC, which is the primary producer, transmitter, and distributor of electrical energy in Saudi Arabia and the wider region, made the announcement during the United Nations COP28 climate change summit in Dubai in December. The company emphasised its dedication to sustainability by unveiling a comprehensive environmental strategy that seeks to reduce emissions. Despite its substantial contributions to supplying electric power, SEC is actively pursuing initiatives to support global environmental goals.

During the summit, SEC outlined key projects that are integral to its environmental strategy. These initiatives focus on enhancing energy efficiency, transforming the electricity transmission network into a smart system, integrating clean and renewable energy stations, and implementing the smart meter project.

In line with its commitment to carbon neutrality, SEC also disclosed the signing of seven agreements and memoranda of understanding (MoU) with local and international companies, including LUCI, Al-Fanar, Sal Italy, CHINT Saudi Arabia, Siemens, Schneider Electric Global, Huawei, IBM, and JAC. These collaborations reflecting a joint effort towards sustainable and eco-friendly practices in the energy sector.

ZERO METHANE EMISSIONS

Meanwhile, 50 oil companies including Saudi Aramco have affirmed their commitment to zero methane emissions and end to routine flaring by 2030, as well as to total net-zero operations by 2050 at the latest.

The 50 companies, representing over 40% of global oil production, signed the [Oil and Gas Decarbonization Charter](#) (OGDC). These included 29 national oil companies – the largest ever number of NOCs to sign up to a decarbonisation pledge. The OGDC is an important step towards the industry increasing actions aligned with the aims of the Paris Agreement.

Signatories to the charter agree to target a number of key actions, including investing in the energy system of the future such as renewables, low-carbon fuels, and negative emissions technologies.

Among their pledges were “increasing transparency, including enhancing measurement, monitoring, reporting and independent verification of GHG emissions and their performance and progress in reducing emissions; increasing alignment with broader industry best practices to accelerate decarbonisation of operations; and aspiring to implement current best practices by 2030 to collectively reduce emission intensity”.



RENEWABLE ENERGY GROWTH STORY

Saudi Arabia has a compelling renewable energy growth story to tell.

Saudi Green Initiative Forum, an event on the sidelines of COP28 Summit in Dubai, was launched to highlight Saudi efforts in addressing climate change, promoting sustainable innovation in the green industry, and expediting the transition to a green economy.

The kingdom outlined more than 80 initiatives, representing investments of more than SAR 705 billion (USD 188 billion), with the objective of constructing a more sustainable future.

To realise its target of reducing carbon emissions by 278 million tonnes annually by 2030, Saudi Arabia aspires to achieve an optimal energy mix of 50% natural gas, and 50% renewable energy for electricity production by 2030. Noteworthy progress has been made, with renewable energy projects delivering a capacity of 2,100 megawatts (MW) since 2022, contributing to a total renewable capacity of 2,800 MW – enough to power over 520,000 homes.

Anticipating continued growth, renewable energy projects under construction are set to exceed 8 gigawatts (GW) by the end of 2023, with additional projects totalling 13 GW in various stages of development.

In a bid to transform the national energy mix, Saudi Arabia initiated projects to diminish reliance on liquid fuels, replacing them with gas for electricity generation. High-efficiency gas-fired plants, with a total

capacity of 5,600 MW, have been operationalised, complemented by the construction of high-efficiency carbon capture and storage plants totalling 8.4 GW.

FUELS OF THE FUTURE

As part of a forward-looking investment in future fuels, Saudi Arabia is progressing with plans for the world's largest green hydrogen plant in NEOM, involving a substantial investment of USD 8.4 billion. The kingdom has also inked agreements with international companies to collaborate on clean and green hydrogen production and export.

Since the inception of the Saudi Green Initiative, significant environmental milestones have been achieved, including the planting of 43.9 million trees and the reclamation of 94,000 hectares of degraded land. This aligns with the initiative's overarching goal to plant 10 billion trees and restore 8 million hectares of land by 2030.

An extensive two-year feasibility study, unveiled in October 2023, outlines plans for vegetation growth across the country, incorporating afforestation and land reclamation projects in various locations.

The roadmap of the Saudi Green Initiative unfolds in two phases: the first from 2024 to 2030, employing a nature-based approach for environmental rehabilitation, followed by the second phase from 2030. The comprehensive approach leverages human efforts, integrating lessons learned from the initial phase.

SAUDI SUKUK MARKET DEFIES GLOBAL CHALLENGES



[Tadawul](#) SAR Government Sukuk & Bond Index serves as a barometer of the performance of Saudi Arabia's Islamic finance market. Launched in 2020 through a collaboration between the kingdom's Stock Exchange (Tadawul) and iBoxx, the index is a comprehensive tracker for Saudi Arabian riyal-denominated domestic government bonds, including sukuk.

This supports the Saudi government's commitment to strengthen the domestic debt market infrastructure and raise its accessibility standards. The index, a product of combining Tadawul's market data with iBoxx's indexing capabilities, not only provides transparency for the market but also positions itself as a potential benchmark for both domestic and international investors.

Since its inception, the index has undergone a few changes. Initially, it included a significant portion of conventional debt alongside sukuk, totalling 22 bonds (SAR 79.50 billion) at launch. However, it has progressively transitioned to a more sukuk-centric composition, with only seven bonds remaining as of August 2023 (SAR 13.96 billion). This shift is attributed to the growing preference for Shariah-compliant instruments, particularly sukuk, as domestic Islamic banks prioritise them for liquidity management over conventional bond issuance.

The Saudi Arabian domestic government sukuk market, represented by the iBoxx Tadawul SAR Government Sukuk Index, has witnessed steady growth, solidifying the country's position as the largest sovereign sukuk issuer globally.

SUKUK'S RESILIENCE

Over the past four years ending August 31, 2023, the number of sukuk increased from 29 to 50, and the total notional outstanding surged from SAR 146.95 billion to SAR 433.18 billion, according to [S&P Global Ratings](#). Despite a reduction in domestic debt issuance since 2022 due to market volatility, interest rate changes, and fluctuations in crude oil prices, the sukuk market remains a resilient component of the Saudi economy.

Examining the performance of the index, long-dated sukuk (10+ years) faced losses of 8.82% over the past three years, mirroring the challenges experienced by long-dated bonds in global government bond markets. However, short-dated sukuk (zero to one year and one to three years) contributed positively, offsetting some of the overall index losses (-4.68%).

In 2023, the long-dated sukuk segment emerged as the best-performing, with returns of 4.93% year to date, attributed to the global slowing of interest rate hikes by central banks.

The yield curve of the iBoxx Tadawul SAR Government Sukuk Index indicates a shift from 2-4% to 4-5% over the past three years, with a nearly flat profile and a slight inversion on the short end. Notably, most outstanding sukuk have a maturity of five to 15 years, with yields reflecting this duration.

Comparing the performance of the iBoxx Tadawul SAR Government Sukuk Index to other global government bond indices, including iBoxx Global Government Overall, iBoxx \$ Treasuries, and iBoxx EUR Eurozone Indices, the sukuk index exhibited resilience during the COVID-19 pandemic in 2020 and the subsequent economic recovery in 2021.

In response to global economic shifts, the Saudi regulator has matched the interest rate hikes of the US Federal Reserve and the European Central Bank since 2022 to maintain riyal's peg to the US dollar. Despite this, the iBoxx Tadawul SAR Government Sukuk Index demonstrated more robust performance compared to its global counterparts, emphasising the stability and attractiveness of Shariah-compliant instruments in challenging market conditions.

GLOBAL SUKUK MARKET

Moody's Investors Service believes global sukuk issuance could decline USD 160 billion to USD 170 billion in 2023, compared to USD 178 billion in 2022, primarily driven by higher interest rates and improved fiscal positions of governments especially in the GCC and Southeast Asia.

"In the GCC and Southeast Asia, robust commodity prices associated with sustained economic growth have translated into stronger fiscal positions and lower issuance needs," said Moody's in the report. [Moody's](#) also expects Saudi Arabia to remain the largest sukuk issuer in the region, but government activity is likely to be limited to refinancing maturing sukuk.

Saudi Arabia's sukuk issuance is also going global.

In October, the [Public Investment Fund](#) successfully priced its first dollar-denominated Shariah-compliant trust certificates (sukuk). The USD 3.5 billion sukuk in two tranches is listed on London Stock Exchange plc's International Securities Market (ISM).

"The sukuk issuance was more than seven times oversubscribed, with orders exceeding USD 25 billion, reflecting investor confidence in PIF. Proceeds from the issuance will be used by PIF for its general corporate purposes. Loans and debt instruments represent one of PIF's sources of funding," according to the sovereign wealth fund.

ROBUST VC FUNDING HIGHLIGHTS CONFIDENCE IN SAUDI START-UPS

Saudi Arabia, strategically positioned as a gateway to the Middle East and North Africa (MENA) region, has become a [burgeoning hub for start-ups](#), boasting over 1,600 innovative ventures. The region, home to nearly 450 million consumers, offers a lucrative market for businesses. In the first half of 2023, Saudi Arabia claimed a remarkable 42% share of MENA's venture capital activities, underlining its growing significance in the technology ecosystem.

INGREDIENTS FOR SUCCESS

The rapid growth of Saudi Arabia's start-up ecosystem can be attributed to a combination of factors, with government initiatives playing a pivotal role. The Ministry of Communications and Information Technology (MCIT) has been a key player, spearheading initiatives like the National Technology Development Program (NTDP), which focuses on enhancing the technology ecosystem by providing support mechanisms such as Technology Development Financing, Next Era, Boost, Tech Crew, and Relocate.



The Saudi Unicorns programme is another crucial initiative, offering comprehensive services to high-growth technology companies aiming to reach "unicorn" status. It provides support in global expansion, talent development, recruitment, investor connections, mentorship, and government access. The Center of Digital Entrepreneurship (CODE) contributes to the digital economy's growth by hosting networking events, incubators, and accelerators, while fostering digital capabilities.

MEASURING ECOSYSTEM DEVELOPMENT

The success of a technology and investment ecosystem is often measured by the number of start-ups securing funding. In Saudi Arabia, this metric is particularly relevant, reflecting the ecosystem's ability to attract investment and support entrepreneurial ventures. Notable funds like Jada and SVC are active participants, demonstrating the country's commitment to innovation.

Venture capital firms such as STV, Impact46, Wa'ed, and Raed Ventures contribute significantly by funding and nurturing start-ups at various stages of their development, from pre-seed to pre-IPO. A thriving ecosystem is characterised by a robust pipeline of start-ups receiving financial backing, indicating sustained growth and innovation.

SAUDI'S STANDOUT START-UPS

Several start-ups within the Saudi Unicorns programme are making waves in the region.

[Lean Tech](#) simplifies fintech innovation with its Universal API, enabling the development of pioneering financial solutions. Mrsool revolutionises on-demand home delivery, offering a reliable and timely platform connecting users with a network of couriers. Quant excels in data analytics, business intelligence, and AI, while Mozn leads in designing and implementing customised AI solutions and advancing Arabic NLP data products globally.

OVERCOMING CHALLENGES

The Saudi start-up ecosystem faces challenges, notably navigating evolving regulatory frameworks. In response, government entities are introducing initiatives like regulatory sandboxes and fintech hubs. These controlled environments allow start-ups to test innovative products and services, demonstrating compliance with regulatory requirements while fostering a culture of innovation.

In conclusion, Saudi Arabia's start-up ecosystem is flourishing, driven by government support, robust funding, and a diverse array of innovative ventures. While challenges persist, proactive measures and initiatives are paving the way for continued growth and establishing Saudi Arabia as a key player in the global technology landscape.

QUARTERLY GROWTH

The latest quarterly [SME Monitor](#) from the General Authority for Small and Medium Enterprises (Monsha'at) reveals a 3.5% growth in the number of SMEs in the kingdom in Q3 2023, reaching a total of 1.27 million.

This surge is attributed to the establishment of over 40,000 new businesses across the country, with Riyadh emerging as a central hub, hosting 43.3% of all SMEs. The robust non-oil growth of 3.6% in Q3 propels the Saudi economy, surpassing the average G20 growth and setting the stage for a projected 0.8% expansion in 2023, as per the International Monetary Fund (IMF).

SME Monitor also sheds light on the expanding manufacturing sector in Saudi Arabia, reporting a significant 4.6% year-on-year growth in Q3 2023, as indicated by the General Authority for Statistics (GASTAT). To position itself as a leading industrial and manufacturing hub, Saudi Arabia has initiated several large public projects, notably driven by the National Industrial Development and Logistics Program (NIDLP), which prompted greater SME participation in these sectors during Q3 2023.

The monitor underscores the growing industrial landscape, with 11,000 operational factories and 136 new industrial licenses issued by the Ministry of Industry and Mineral Sources in August 2023 alone. Likewise, the private sector's upbeat sentiment is evident in the issuance of 18.8% year-on-year increase in SME-focused investments in Q2 2023, totalling SAR 262.7 billion (USD 70 billion).

Al-Qassim Province stands out for significant progress in mining and agriculture, boasting nearly 60,000 SMEs and 105 active mining licenses. The province, often referred to as the breadbasket of Saudi Arabia, contributes substantially to the mining industry, producing 4 million tonnes of bauxite annually, a unique source in the Middle East. Additionally, the agricultural sector yields 1.22 million tonnes of dates, lemons, oranges, grapes, and other products each year.

Throughout Q3, SMEs have benefitted from a range of innovative upskilling programmes hosted by Monsha'at. Five week-long events were conducted to aid SMEs in securing funding, expanding their businesses, and venturing into commercial franchise, healthcare, and legal sectors. Over 100,000 SMEs participate in these programmes, contributing to the ongoing maturation of the private sector-driven Saudi economy.

In conclusion, the positive indicators in the SME Monitor reflect a dynamic and rapidly evolving economic landscape in Saudi Arabia. Through government support, private sector investment, and innovative upskilling programmes, the kingdom is well on its way to achieving its ambitious diversification goals.

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